THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SAT PAL MAHARAJ): (;i) and (b) Government have seen the news-item referred It) in the Question. Dena Bank has reported that it has received certain complaints from customers and staff members about violation of procedures and rules of the bank by officials of their Trivandrum branch. Based on the complaints and the findings of an inspection report of Reserve Bank of India, a special audit of the branch was ordered. The bank has further reported that disciplinary action against delinquent officials has been ordered by the competent authorities, in the bank.

Report of Dave Committee on infrastructure for Capital Markets

1471. SHRI S. M. KRISHNA : Will the Minister of FINANCE be pleased to state:

(a) Whether the Dave Committee on infrastructure for capital markets has recently submitted its report;

(b) if so, what are the salient features thereof; and

(c) what staps Government have taken for immediate implementation of the report so that the capital market can function efficiently?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SAT-PAL MAHARAJ): (a) The Dave Committee on infrastructure for capital Market was appointed by the Association of Merchant Bankers of India (AMBI) under the Chairmanship of Dr. S.A. Dave. The report of the Committee was submitted to AMBI and not to the Government on June 30, 1997.

(b) The major recommendations of the Committee can be grouped under four areas;

(i) Legal infrastructure;

(ii) Institutional infrastructure;

(iii) Knowledge infrastructure; and

(iv) Technological infrastructure.

The recommendations include the review of various Acts and Laws governing the financial sector, transferring of investor protection functions under the Companies Act to SEBI, various institutional reforms like encouragement of book building mechanism for Price determination, market making, inter-connectivity of various stock exchanges, setting up of investor protection fund, uniform dissemination of information by the companies and establishment of corporate connectivity to Internet etc.

(c) Formulation of the policy reforms in the capital market is a continuous process and Government constantly reviews the legal and institutional requirements of the capital market. Government amended the Securities and Exchange Board of India Act and Securities Contracts (Regulation) Act in 1995 to strengthen regulatory powers of SEBI. Government has also enacted the Depositories Act in 1996 to provide for a legal framework for establishment of depositories to provide for dematerialisation of securities and scripless trading. SEBI has also been empowered to issue directions to any person connected with the capital market to protect the interest of investors. Several of the recommendations of the Dave Committee report like provision of book building process for price determination, encouraging the stock exchages to set up clearing houses and clearing corporations to reduce delays in clearing and settlement transactions, encouraging arbitration mechanism on the stock exchanges, disclosure of information by companies are already under implementation.

Auctioning of seized/confiscated diamonds/precious stones by custom authorities

1472. SHRI M.A. BABY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that seized/ confiscated diamonds and other precious